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Role of FBI Director In Iran Affair Probed

Hearings for CIA Post May Become 'Grilling'

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Members of the Senate Select Committee on Intelligence preparing for hearings next week on the nomination of FBI Director William H. Webster to become head of the CIA are conducting a detailed investigation of Webster's role in the Iran-contra affair and of his dealings with Attorney General Edwin Meese III on the matter, according to knowledgeable sources.

A Republican senator on the committee said yesterday that "central" attention will be given in the hearings to Webster's role in three specific episodes:

- Last Oct. 30, when he agreed to Meese's request for a delay of a Federal Bureau of Investigation probe into Southern Air Transport Inc., a Miami-based company that had been linked to a contra supply plane shot down in Nicaragua earlier that month.
- Last Nov. 21 when Webster concurred in Meese's decision not to bring the FBI into Meese's initial fact-finding inquiry of the Iran-contra affair
- Last summer, when Webster first learned of the secret arms shipments to Iran and questioned Meese about them.

Committee investigators are reviewing FBI files and one source said that Webster, who has maintained excellent relations on Capitol Hill, can expect to undergo a "grilling." Several members of the panel said the Webster confirmation hearings will be a preview of many of the difficulties the administration will face again later this year when the House and Senate select committees on the Iran-contra affair begin their televised hearings.

One source said, "The confirmation hearing will attempt to determine if he [Webster] is independent or if he was bending to the will of the political process. Did he roll over?" Many members of the committee feel burned by the administration, which decided to withhold notification of the secret arms sales to Iran for at least 10 months, sources said.

Webster learned of the secret arms sales to Iran last summer from an FBI official who sat on an interagency counterterrorism group that met at the White House, sources said. Webster went to Meese at the time to make sure the president had authorized the covert shipments with a formal finding. Meese said he had personally checked off on the legality of the finding.

During his nine years as head of the FBI, Webster has taken pride in his independence while maintaining good relations with the four attorney generals under whom he has served, including Meese.

Well-placed sources said, however, that a "strain" recently has developed between Webster and Meese following the disclosure that Lt. Col. Oliver L. North, the fired National Security Council (NSC) aide, and his secretary, Fawn Hall, destroyed and altered documents on Nov. 21. That was the day Meese began his inquiry, and he and Webster agreed not to include the FBI in it.

On Dec. 4, nine days after the FBI had entered the investigation, Webster told reporters during a breakfast meeting that "we have not come across anything at this point that suggests any out-of-the-ordinary-course destruction of records" by NSC officials. Webster was asked about this because of a published account in the Los Angeles Times that North had indeed destroyed relevant documents.

Webster has denied that any strain with Meese exists, but he is likely to be in the uncomfortable position of having to defend Meese's informal inquiry conducted from Nov. 21 until Nov. 25, when Meese went before television cameras in the White House press room to disclose the diversion of Iran arms sales money to the Nicaraguan rebels.

That televised disclosure was the first Webster heard of the diversion of funds, according to FBI officials. Immediately after that news conference ended, sources said, a grim-faced Webster left his office in the mammoth FBI headquarters on Pennsylvania Ave., walked across the street to the Justice Department and went directly to Meese's office.

"He was waiting there when the attorney general came back from the White House," one official said. "He offered the full services of the FBI in the investigation." Meese waited another day before asking the bureau to join the investigation.

The delay in bringing the FBI into the case "permanently altered the nature of the later investigation because documents are gone," according to one knowledgeable source.

The Meese inquiry over the weekend of Nov. 21-23, conducted with three Justice Department attorneys who are not experts in criminal law, has come under criticism. Said one Democratic senator on the intelligence committee, "Everything about it was wrong. Witnesses were not read their rights, including Ollie North. They did not establish a legal record. The interviews will likely not be admissible. Meese was conducting an inquiry to see what political damage might be on the horizon."

Webster, sources said, regrets in retrospect that on Nov. 21 when he and Meese talked, he did not press for the inclusion of FBI agents.

The report on the Iran-contra affair released by the intelligence committee in January said, "According to Meese, he and Webster agreed that, as there was no criminal matter involved, it would not be appropriate to bring in the FBI" in the initial probe.

Webster put a slightly different emphasis on his conversation with Meese in his breakfast meeting with reporters on Dec. 4, saying that he had volunteered the FBI's services. "I made my usual proffer, 'Is there anything we can do for you?' " Webster said of his Nov. 21

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conversation with Meese. "And he said, 'Well, I don't know of anything that's criminal at this point, do you?' And I said, 'No, on what I know, I don't know either.' "

The story of the FBI investigation into Southern Air is cloudy. The bureau told Congress late last year that it had opened an inquiry on Oct. 8, three days after a plane loaded with arms and carrying documents linking its crew to Southern Air was shot down over Nicaragua. That investigation was suspended on Oct. 30, officials have said—the day after North expressed frustration over the FBI inquiry in a message to then-national security adviser John M. Poindexter. Poindexter then asked Meese to hold off the inquiry into Southern Air, whose pilots had just returned from delivering a secret shipment of U.S. arms to Iran.

However, according to informed sources, the FBI had not asked any substantive questions of Southern Air nor sought any of the company's records as of Oct. 30, though a bureau agent visited its Miami headquarters briefly on Oct. 6.

During the 20-day delay of the investigation involving Southern Air, sources said, there were several communications between the FBI and Justice. One source, quoting FBI officials, said, "the bureau was chomping at the bit" to proceed by that time. That investigation began after Nicaragua shot down the supply plane on Oct. 5 and captured one of its crew members, cargo handler Eugene Hasenfus.

As reported in The New York Times yesterday, the Senate intelligence committee is expected release a transcript of the closed-door testimony that Meese gave during its Iran-contra investigation. That sworn testimony on Dec. 17 lasted about three hours and runs about 80 to 90 pages, sources said, and the committee has had no trouble getting it declassified.

Two committee members have raised questions about Meese's actions the second day of his inquiry, Saturday Nov. 22, when the so-called "smoking gun" memo was discovered in North's safe. That memo, written in April 1986, said that North planned to divert $12 million from Iranian arms sales to the contras.

"Why wasn't the FBI brought in at once?" asked one committee Republican. "Why when North was interviewed the next day, wasn't he read his [constitutional] rights? Why weren't normal investigative procedures followed? What does Bill Webster think of all this? We're going to find out."

In his meeting with reporters Dec. 4, Webster defended Meese's conduct after the attorney general received approval from the president to undertake a factual inquiry. "The attorney general got the ticket to find out exactly what had taken place. It was not in the context of any unlawful conduct but to get it straight."

"I don't really want to buy [into] the idea that we were brought in late," Webster said. "We were brought in as soon as the criminal division . . . of the Department of Justice advised the attorney general that there were criminal implications flowing from the facts that they have developed in their fact-finding efforts over that weekend" of Nov. 22-23.

At the same time, Webster acknowledged that Meese would be a potential witness. "It's increasingly clear that in a criminal investigation, he would be a material fact witness as to the discussion that took place in the National Security Council, the fact of legal advice, if not the content of the legal advice and other circumstances."

Staff writer Howard Kurtz and staff researcher Barbara Feinman contributed to this report.

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